

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02859A  
Diversified Water Utilities, Inc.  
4700 E. Thomas Rd., Ste. 203  
Phoenix, AZ 85018-7703

RECEIVED

ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

12	31	2009
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FOR COMMISSION USE

ANN 04	09
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4-23-10

## COMPANY INFORMATION

**Company Name (Business Name)** Diversified Water Utilities, Inc.

**Mailing Address** 4700 E. Thomas Road, Suite 203

(Street)

Phoenix

(City)

Arizona

(State)

85018

(Zip)

(602) 840-9400

Telephone No. (Include Area Code)

(602) 840-6030

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** sgray@dwuwater.com

**Local Office Mailing Address** 4700 E. Thomas Road, Suite 203

(Street)

Phoenix

(City)

Arizona

(State)

85018

(Zip)

(602) 840-9400

Local Office Telephone No. (Include Area Code)

(602) 840-6030

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** sgray@dwuwater.com

## MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☒ **Management Contact:** Scott Gray President

(Name)

(Title)

4700 E. Thomas Road, Suite 203 Phoenix

(Street)

(City)

Arizona

(State)

85018

(Zip)

(602) 840-9400

Telephone No. (Include Area Code)

(602) 840-6030

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** sgray@dwuwater.com

**On Site Manager:** David Dickinson

(Name)

4700 E. Thomas Road, Suite 203 Phoenix

(Street)

(City)

Arizona

(State)

85018

(Zip)

(602) 840-9400

Telephone No. (Include Area Code)

(602) 840-6030

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** ddickinson@dwuwater.com

<b>Statutory Agent:</b> <u>Scott W. Gray</u>			
(Name)			
<u>4700 E Thomas Road, Suite 203</u>	<u>Phoenix</u>	<u>Arizona</u>	<u>85018</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 840-9400</u>	<u>(602) 840-6030</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Attorney:</b> <u>William P Sullivan, Curtis Goodwin Sullivan Udall &amp; Schwab, PLC</u>			
(Name)			
<u>501 E Thomas Road</u>	<u>Phoenix</u>	<u>Arizona</u>	<u>85012</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 393-1700</u>	<u>(602) 393-1703</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> _____			

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Sole Proprietor (S)</b>    | <input type="checkbox"/> <b>C Corporation (C) (Other than Association/Co-op)</b> |
| <input type="checkbox"/> <b>Partnership (P)</b>        | <input checked="" type="checkbox"/> <b>Subchapter S Corporation (Z)</b>          |
| <input type="checkbox"/> <b>Bankruptcy (B)</b>         | <input type="checkbox"/> <b>Association/Co-op (A)</b>                            |
| <input type="checkbox"/> <b>Receivership (R)</b>       | <input type="checkbox"/> <b>Limited Liability Company</b>                        |
| <input type="checkbox"/> <b>Other (Describe)</b> _____ |  |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> <b>APACHE</b>     | <input type="checkbox"/> <b>COCHISE</b>  | <input type="checkbox"/> <b>COCONINO</b>         |
| <input type="checkbox"/> <b>GILA</b>       | <input type="checkbox"/> <b>GRAHAM</b>   | <input type="checkbox"/> <b>GREENLEE</b>         |
| <input type="checkbox"/> <b>LA PAZ</b>     | <input type="checkbox"/> <b>MARICOPA</b> | <input type="checkbox"/> <b>MOHAVE</b>           |
| <input type="checkbox"/> <b>NAVAJO</b>     | <input type="checkbox"/> <b>PIMA</b>     | <input checked="" type="checkbox"/> <b>PINAL</b> |
| <input type="checkbox"/> <b>SANTA CRUZ</b> | <input type="checkbox"/> <b>YAVAPAI</b>  | <input type="checkbox"/> <b>YUMA</b>             |
| <input type="checkbox"/> <b>STATEWIDE</b>  |  |  |

**COMPANY NAME**

DIVERSIFIED WATER UTILITIES, INC.

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			-
302	Franchises			-
303	Land and Land Rights	83,092	-	83,092
304	Structures and Improvements	205,945	19,618	186,327
307	Wells and Springs	401,555	94,724	306,831
311	Pumping Equipment	1,945,364	189,431	1,755,933
320	Water treatment Equipment	-	-	-
330	Distribution Reservoirs and Standpipes	569,023	105,219	463,804
331	Transmission and Distribution Mains	2,708,449	385,817	2,322,632
333	Services	161,362	27,433	133,929
334	Meters and Meter Installations	350,690	49,892	300,798
335	Hydrants	239,754	16,566	223,188
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	53,438	5,083	48,355
341	Transportation Equipment	-		-
343	Tools, Shop and Garage Equipment	6,588	489	6,099
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	98,665	17,910	80,755
	<b>TOTALS</b>	<b>6,823,925</b>	<b>912,182</b>	<b>5,911,743</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME**

DIVERSIFIED WATER UTILITIES, INC.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization	-		-
302	Franchises	-		-
303	Land and Land Rights	83,092		-
304	Structures and Improvements	205,945	3.56%	7,332
307	Wells and Springs	401,555	3.56%	14,295
311	Pumping Equipment	1,945,364	3.56%	69,255
320	Water treatment Equipment	-	3.56%	-
330	Distribution Reservoirs and Standpipes	569,023	3.56%	20,257
331	Transmission and Distribution Mains	2,708,449	3.56%	96,421
333	Services	161,362	3.56%	5,744
334	Meters and Meter Installations	350,690	3.56%	12,485
335	Hydrants	239,754	3.56%	8,535
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	53,438	3.56%	1,902
341	Transportation Equipment	-		-
343	Tools, Shop and Garage Equipment	6,588	3.56%	235
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communication Equipment	-		-
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	98,665	3.56%	3,512
	SUBTOTALS	6,823,925		239,974
	Less: Amortization of Contributions			(48,950)
	TOTALS	6,823,925		191,024

This Amount goes on Comparative Statement of Income and xpense Acct. No. 403.

<b>COMPANY NAME</b>
DIVERSIFIED WATER UTILITIES, INC.

### **BALANCE SHEET**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 507,664	\$ 305,750
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$ 21,042	\$ 12,024
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	\$ 21,407	\$ 10,544
174	Miscellaneous Current and Accrued Assets	\$ 1,237	\$ 1,257
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 551,350	\$ 329,575
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 4,822,983	\$ 6,823,925
103	Property Held for Future Use	\$ 2,448	\$ 2,656
105	Construction Work in Progress	\$ 29,795	\$ 4,370
108	Accumulated Depreciation - Utility Plant	\$ 672,208	\$ 912,182
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 4,183,018	\$ 5,918,769
	<b>TOTAL ASSETS</b>	\$ 4,734,368	\$ 6,248,344

**NOTE:** The Assets on this page should be equal to the **Total Liabilities and Capital** on the following page.

**COMPANY NAME**

DIVERSIFIED WATER UTILITIES, INC.

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 48,932	\$ 40,059
232	Notes Payable (Current Portion)	\$ 180,000	\$ 189,500
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	\$ 22,540	\$ 24,570
236	Accrued Taxes	\$ 14,080	\$ 19,942
237	Accrued Interest		\$ 535
241	Miscellaneous Current and Accrued Liabilities	\$ 20,324	\$ 11,715
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 285,876	\$ 286,321
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 192,041	\$ 173,511
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Dept		
252	Advances in Aid of Construction	\$ 2,770,542	\$ 4,363,354
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$ 1,374,992	\$ 1,374,992
272	Less: Amortization of Contributions	\$ 140,606	\$ 189,556
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 4,004,928	\$ 5,548,790
	<b>TOTAL LIABILITIES</b>	\$ 4,482,845	\$ 6,008,621
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 2,000	\$ 2,000
211	Paid in Capital in Excess of Par Value	\$ 198,261	\$ 198,261
215	Retained Earnings	\$ 51,262	\$ 39,462
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 251,523	\$ 239,723
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 4,734,368	\$ 6,248,344

<b>COMPANY NAME</b>
DIVERSIFIED WATER UTILITIES, INC.

## **COMPARATIVE STATEMENT OF INCOME AND EXPENSES**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 915,674	\$ 919,544
460	Unmetered Water Revenue		
474	Other Water Revenues	\$ 9,156	\$ 25,958
	<b>TOTAL REVENUES</b>	\$ 924,830	\$ 945,502
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 306,269	\$ 330,320
610	Purchased Water	\$ 355	\$ 350
615	Purchased Power	\$ 50,178	\$ 64,542
618	Chemicals	\$ 3,836	\$ 3,580
620	Repairs and Maintenance	\$ 20,111	\$ 13,370
621	Office Supplies and Expense	\$ 12,873	\$ 27,284
630	Outside Services	\$ 139,753	\$ 76,012
635	Water Testing	\$ 3,814	\$ 1,870
641	Rents	\$ 37,097	\$ 36,179
650	Transportation Expense	\$ 58,075	\$ 50,568
657	Insurance - General Liability	\$ 3,473	\$ 12,197
659	Insurance - Health and Life	\$ 56,500	\$ 40,870
666	Regulatory Commission Expense - Rate Case	\$ -	\$ -
675	Miscellaneous Expense	\$ 21,150	\$ 41,809
403	Depreciation Expense	\$ 119,985	\$ 191,024
408	Taxes Other Than Income	\$ 22,385	\$ 27,140
408.11	Property Tax	\$ 19,703	\$ 28,050
409	Income Tax	\$ -	
	<b>TOTAL OPERATING EXPENSES</b>	\$ 875,554	\$ 945,166
	<b>OPERATING INCOME/(LOSS)</b>	\$ 49,276	\$ 336
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 10,100	\$ 1,056
421	Non-Utility Income	\$ 2,295	\$ 278
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	\$ (13,592)	\$ (12,711)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (1,197)	\$ (11,377)
	<b>NET INCOME/(LOSS)</b>	\$ 48,079	\$ (11,041)



**COMPANY NAME**

DIVERSIFIED WATER UTILITIES, INC.

**SUPPLIMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	2002			
Source of Loan	WIFA Note			
ACC Decision No.				
Reason for Loan	PLANT IMPROVEMENT			
Dollar Amount Issued	\$ 353,900			
Amount Outstanding	\$ 191,011			
Date of Maturity				
Interest Rate	4.725%			
Current Year Interest	\$ 10,778			
Current Year Principle	\$ 17,031			

Meter Deposit Balance at Test Year End \$766,215

Meter Deposits Refunded During the Test Year \$96,462

<b>COMPANY NAME</b>		Diversified Water Utilities, Inc.
<b>Name of System:</b>	n/a	<b>ADEQ Public Water System Number:</b> AZ04-11-043

### WATER COMPANY PLANT DESCRIPTION

#### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609350	30	200	1,000	20	6	1952
55-627093	250	1,200	913	20	12	1958
55-627092	300	1,500	1,003	20	12	1962
55-627095**		2,300	1,800	20		1967

\* Arizona Department of Water Resources Identification Number

\*\* Not yet in service

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10 horsepower	2	96	
30 horsepower	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	1	5,000	2
20,000	1	7,500	1
1,000,000	1		

*Note: If you are filing for more than one system, please provide separate sheets for each system*

<b>COMPANY NAME</b>	Diversified Water Utilities, Inc.	
<b>Name of System:</b>	n/a	<b>ADEQ Public Water System Number:</b> AZ04-11-043

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC/Ductile	3,050
5		
6	PVC/Ductile	50,949
8	PVC/Ductile	60,780
10		
12	PVC/Ductile	20,807

**CUSTOMER METERS**

Size (in Inches)	Quantity
5/8 X 3/4	360
3/4	779
1	218
1 1/2	4
2	5
Comp. 3	
Turbo 3	3
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

**TREATMENT EQUIPMENT:**

Liquid Chlorine (1) \_\_\_\_\_

Gas Chlorinators (2) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**STRUCTURES:**

Storage Shed (1) \_\_\_\_\_

Chlorine Shet (3) \_\_\_\_\_

Motor Control Room (2) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**OTHER:**

Generator \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	Diversified Water Utilities, Inc.		
<b>Name of System:</b>	n/a	<b>ADEQ Public Water System Number:</b>	AZ04-11-043

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1163	6,993	7,439	
FEBRUARY	1171	8,279	8,617	
MARCH	1170	10,485	12,554	
APRIL	1,165	10,033	11,480	
MAY	1,176	15,409	17,900	
JUNE	1,191	12,529	13,983	
JULY	1,218	14,372	16,612	
AUGUST	1,238	15,667	15,907	
SEPTEMBER	1,250	11,524	11,099	
OCTOBER	1,257	13,485	15,102	
NOVEMBER	1,270	10,417	9,631	
DECEMBER	1,268	6,971	7,786	
		136,162	148,110	NONE

What is the level of arsenic for each well on your system?

*(If more than one well, please list separately.)*

0.0030 mg/l (55-609350)

0.0020 mg/l (55-627093)

0.0017 mg/l (55-627092)

If system has fire hydrants, what is the fire flow requirement?

1,250 GPM for 2 hours

If system has chlorination treatment, does this treatment system chlorinate continuously?

( x ) Yes      ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA):

( x ) Yes      ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes      ( x ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

<b>COMPANY NAME</b>	Diversified Water Utilities, Inc.		
<b>Name of System:</b>	n/a	<b>ADEQ Public Water System Number:</b>	AZ04-11-043

**UTILITY SHUTOFFS / DISCONNECTS**

<b>MONTH</b>		<b>Termination without Notice R14-2-410.B</b>	<b>Termination with Notice R14-2-410.C</b>	<b>OTHER</b>
<b>JANUARY</b>		-	-	-
<b>FEBRUARY</b>		-	-	-
<b>MARCH</b>		-	-	-
<b>APRIL</b>		-	38	-
<b>MAY</b>		-	16	-
<b>JUNE</b>		-	31	-
<b>JULY</b>		-	45	-
<b>AUGUST</b>		-	34	-
<b>SEPTEMBER</b>		-	29	-
<b>OCTOBER</b>		-	44	-
<b>NOVEMBER</b>		-	7	-
<b>DECEMBER</b>		-	18	-
<b>TOTALS</b>		-	262	-

OTHER (description) :

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**COMPANY NAME** Diversified Water Utilities, Inc. **YEAR ENDING 12/31/2009**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 23,761.54

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

RECEIVED

ACC UTILITIES DIRECTOR

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
Scott W. Gray, President
COMPANY NAME
Diversified Water Utilities, Inc.

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

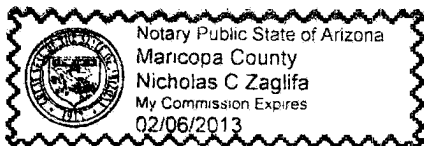
MONTH	DAY	YEAR
12	31	2009

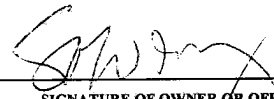
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
(602) 840-9400  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 1 DAY OF

(SEAL)

MY COMMISSION EXPIRES

2/6/13

COUNTY NAME	
MONTH <u>April</u>	<u>2010</u>

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME** Diversified Water Utilities, Inc.

**YEAR ENDING 12/31/2009**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>n/a - S Corporation</u>
Estimated or Actual Federal Tax Liability	<u>n/a - S Corporation</u>
State Taxable Income Reported	<u>n/a - S Corporation</u>
Estimated or Actual State Tax Liability	<u>n/a - S Corporation</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
**SIGNATURE**

4-1-10  
\_\_\_\_\_  
**DATE**

Scott W. Gray  
\_\_\_\_\_  
**PRINTED NAME**

President  
\_\_\_\_\_  
**TITLE**



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED

VERIFICATION

ACC UTILITIES DIRECTOR

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

Maricopa

NAME (OWNER OR OFFICIAL) TITLE

Scott W. Gray, President

COMPANY NAME

Diversified Water Utilities, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,007,297

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 61,795

IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1

DAY OF

(SEAL)

MY COMMISSION EXPIRES

2/6/13

SIGNATURE OF OWNER OR OFFICIAL

(602) 840-9400

TELEPHONE NUMBER

COUNTY NAME

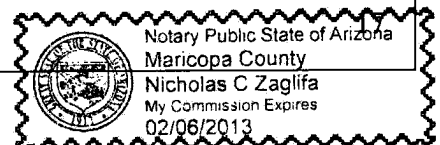
Maricopa

MONTH

April

2010

SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED

ACC UTILITIES DIRECTOR

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Scott W. Gray	TITLE President
COMPANY NAME Diversified Water Utilities, Inc.	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

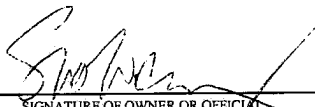
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,007,297

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 61,795  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL  
(602) 840-9400  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

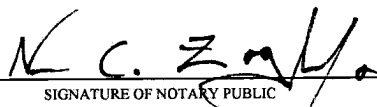
1

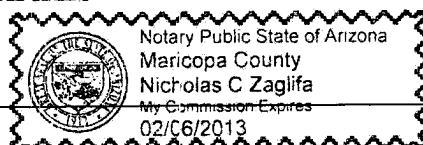
**DAY OF**

NOTARY PUBLIC NAME N. ZAGLIFA	
COUNTY NAME Maricopa	
MONTH April	20__

**(SEAL)**

**MY COMMISSION EXPIRES**

  
SIGNATURE OF NOTARY PUBLIC



4743

WELLS FARGO BANK, N.A.  
 4700 E. Thomas Road, Ste 201  
 Phoenix, AZ 85018  
 Phone: (602) 440-1000  
 Fax: (602) 440-6500

10/21/2009

\$ 226.11

DOLLARS

Pay to the Order of: Pinal County Treasurer  
 Pinal County Treasurer  
 PO Box 729  
 Florence, AZ 85232

MEMO  
 Property Tax - 210-03-42208  
 #001743# 012210527816

Security Features Included

REF#0285094663 CK# 4743 226.11

4741

WELLS FARGO BANK, N.A.  
 4700 E. Thomas Road, Ste 201  
 Phoenix, AZ 85018  
 Phone: (602) 440-1000  
 Fax: (602) 440-6500

10/21/2009

\$ 185.49

DOLLARS

Pay to the Order of: Pinal County Treasurer  
 Pinal County Treasurer  
 PO Box 729  
 Florence, AZ 85232

MEMO  
 Property Tax - 821-54-40118  
 #001743# 012210527816

Security Features Included

REF#0382661166 CK# 4741 185.49

4742

WELLS FARGO BANK, N.A.  
 4700 E. Thomas Road, Ste 201  
 Phoenix, AZ 85018  
 Phone: (602) 440-1000  
 Fax: (602) 440-6500

10/21/2009

\$ 13,282.90

DOLLARS

Pay to the Order of: Pinal County Treasurer  
 Pinal County Treasurer  
 PO Box 729  
 Florence, AZ 85232

MEMO  
 Property Tax - 821-56-12836  
 #001743# 012210527816

Security Features Included

REF#0382661167 CK# 4742 13282.90

For Deposit Only  
 Wells Fargo Bank  
 Pinal County Treasurer  
 >412135041<

DO NOT WRITE ABOVE THIS LINE

For Deposit Only  
 Wells Fargo Bank  
 Pinal County Treasurer  
 >412135041<

For Deposit Only  
 Wells Fargo Bank  
 Pinal County Treasurer  
 >412135041<

REF#0382566006 CK# 4468 179.61

<b>Diversified Water Utilites, Inc.</b> 4700 E. McDowell Blvd, Ste 203 Phoenix, AZ 85018 Phone: (602) 845-9400 Fax: (602) 845-9350		<b>WELLS FARGO BANK, N.A.</b> www.wellsfargo.com 01/28/12	<b>4468</b>
<b>PAY TO THE ORDER OF</b> Pinal County Treasurer One Hundred Seventy-Nine and 61/100		<b>4/20/2009</b>	
Pinal County Treasurer PO Box 129 Florence, AZ 85332		<b>\$-179.61</b>	
<b>MEMO</b> Property Tax - 210-01-0209		<b>DOLLAR</b>	
#004468# 01231052789		<i>[Signature]</i> A. MONROE SEAL	
<small>Security Features Included</small>			

<b>ENCLOSURE HERE:</b>	<b>X</b>
<b>DO NOT SIGN. WRITE STAMP BELOW THIS LINE</b> <small>FOR FINANCIAL INSTITUTIONS ONLY</small>	
Four Deposits Only Wells Fargo Bank Pinal County Treasurer -412135041x	

# check images

<b>Diversified Water Utilities, Inc.</b> 4700 E. Brown Road, Ste 200 Phoenix, AZ 85018 Phone: (602) 840-9400 Fax: (602) 840-0000		<b>WELLS FARGO BANK, N.A.</b> www.wellsfargo.com 815271281	<b>4471</b>
PAY TO THE ORDER OF Pinal County Treasurer PO Box 728 Florence, AZ 85232		4/20/2009 \$**179.38	DOLLARS
MEMO Property Tax - 210-11-00187 #004473# 4122105278#		<i>Deborah</i> AUTHORIZED SIGNATURE	

REF#0382566008 CK# 4471 179.38

<b>Diversified Water Utilities, Inc.</b> 4700 E. Brown Road, Ste 200 Phoenix, AZ 85018 Phone: (602) 840-9400 Fax: (602) 840-0000		<b>WELLS FARGO BANK, N.A.</b> www.wellsfargo.com 815271281	<b>4472</b>
PAY TO THE ORDER OF Pinal County Treasurer PO Box 728 Florence, AZ 85232		4/20/2009 \$*9,262.21	DOLLARS
MEMO Property Tax - 921-60-12908 #004472# 4122105278#		<i>Deborah</i> AUTHORIZED SIGNATURE	

REF#0382566007 CK# 4472 9262.21

<b>Diversified Water Utilities, Inc.</b> 4700 E. Brown Road, Ste 200 Phoenix, AZ 85018 Phone: (602) 840-9400 Fax: (602) 840-0000		<b>WELLS FARGO BANK, N.A.</b> www.wellsfargo.com 815271281	<b>4473</b>
PAY TO THE ORDER OF Pinal County Treasurer PO Box 728 Florence, AZ 85232		4/20/2009 \$*233.10	DOLLARS
MEMO Property Tax - 921-64-10189 #004473# 4122105278#		<i>Deborah</i> AUTHORIZED SIGNATURE	

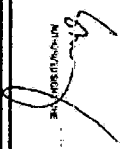
REF#0382566009 CK# 4473 233.10

For Deposit Only Wells Fargo Bank Pinal County Treasurer >4121535041<		DO NOT SIGN WRITE STAMP BELOW THIS LINE FOR FINANCIAL INSTITUTION USE ONLY
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For Deposit Only Wells Fargo Bank Pinal County Treasurer >4121535041<		DO NOT SIGN WRITE STAMP BELOW THIS LINE FOR FINANCIAL INSTITUTION USE ONLY
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For Deposit Only Wells Fargo Bank Pinal County Treasurer >4121535041<		DO NOT SIGN WRITE STAMP BELOW THIS LINE FOR FINANCIAL INSTITUTION USE ONLY
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REF#0280741100 CK# 4734 212.74

Diversified Water Utilites, Inc. 4700 E. Shoshone Blvd. Ste 200 Phoenix, AZ 85018 Phone: (602) 469-7400 Fax: (602) 460-0033		WELLS FARGO BANK, N.A. Member FDIC ATM 61-507921	4734
PAY TO THE ORDER OF Pinal County Treasurer		10/21/2009	
Two Hundred Twelve and 74/100		\$ 212.74	
Pinal County Treasurer PO Box 729 Flagstaff, AZ 86001		DOLLARS	
MEMO Property Tax - 210-11-00187			
⑆004734⑆ ⑆122105278⑆			
			
Security Features Included			

For Deposit Only Wells Fargo Bank Pinal County Treasurer >4121535041<	DO NOT SIGN, WRITE, STAMP BELOW THIS LINE
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